[Rao Bahadur A. Rengaswami Aiyar.]

which included a special windfall of Bh. Rs 6·84 lakhs on account of the refund by the British Government of the duty on tobacco referred to above. An improvement of Rs 1 lakh is anticipated in the ordinary Customs revenue. The institution of Debt Conciliation Boards is expected to result in a decrease of Stamp revenue to the extent of Rs ·64 of a lakh.

EXPENDITURE CHARGED TO REVENUE.

11. The demands of the several departments for expenditure during the next year have been carefully scrutinised both by the Government and the Standing Finance Committee and the grants fixed after a full consideration of the requirements and the available resources of the State. The total expenditure provided for in the budget for the next year is Rs 246·88 lakhs. This is in excess of the revised estimates of the current year by Rs 6·86 lakhs. I shall now deal with the more important items.

12. *Standardisation of Salaries.* With the object of granting relief to those who were hard hit by the revision of pay introduced as a result of the standardisation scheme, the rates of pay of low paid subordinates drawing Rs 100 and below have been revised with effect from 1st Chingom 1113. This revision is expected to involve ultimately an increase of about Rs. 93,000 per annum roughly. Estimates for 1113 have been prepared in accordance with the revised scales. It is hoped that this revision will remove the discontent existing in the ranks of the low paid subordinates, bring relief to about 7000 employees and result in the greater efficiency of the public service.

13. *Land Revenue.* The Jenmikaram Settlement work is nearing completion and provision is therefore made for its continuance only on a reduced scale during the coming year. An area of 10,000 acres of cardamom lands in Pallivasal Pakuthy is set apart for registry to *bona fide* Travancoreans at a concessional rate. The special survey party for the sub-division and survey of these lands, for the purpose of registry, will be continued. Provision is also made for the continuance of the temporary staff for checking Puduval Sub-division sketches and for clearing off the arrears in checking and closing survey records. The present temporary staff for the demarcation and survey of encroachments within the Cardamom Hills reserve is proposed to be continued for 6 months during 1113. As several special

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survey works are proposed to be taken up in 1113, provision is made for the opening of a special survey class and for the continuance of the present temporary Survey School, Kottayam.

14. *Income Tax Department.*—It is considered urgently necessary to arrange for a thorough overhaul and re-organisation of the Income Tax Department, in consequence of the recent amendments to the Regulation and for the purpose of improving the procedure followed and tightening up the control in regard to assessment and collection of the tax so as to minimise the chances of considerable leakages of revenue and to counteract clever ruses evidently adopted at present to evade payment in several cases. With a view therefore to examine the working of the department, to suggest measures for improvement and to effect a thorough re-organisation, it is proposed to obtain the services of an experienced Income Tax Officer from British India for a period of 6 months on a pay of Rs 600 per mensem. The two temporary Income tax Collectors at Trivandrum and Alleppey are also proposed to be continued during the coming year. A provision of about Rs 14,500 has accordingly been made in the budget for the above purposes. It is also proposed to put on special duty one of our Senior Revenue Officers to conduct the work of the Department under the general supervision of the Land Revenue Commissioner.

15. *Excise.*—It is essential to launch on a continuous, systematic, and determined drive against the smuggling of tobacco that is being undoubtedly carried on in the Northern Frontiers of this State, and that is depriving the State of considerable legitimate revenue estimated at between 10 to 20 lakhs of rupees. The smuggling has become of late the regular business of well organised gangs of unscrupulous characters who appear to be backed up from behind the screen by apparently respectable capitalists. The extent of the malpractices now resorted to is evident from the figures of tobacco consumption near the Frontier and at a distance from the Frontier. For instance the average annual consumption of tobacco per head at Parur is about 2 lbs, while at Nagercoil it is about 10 lbs. As a result of the prevailing economic depression, the ranks of the gangs of smugglers have swelled considerably and their nefarious transactions have become more extensive. The inevitable consequence of the increased activities of the smugglers is the marked fall in the consumption of duty-paid tobacco. This is evident from the fact that the quantity consumed during 1111 has gone much below the quantity consumed during the year 1103. The

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